

Locus Technologies cleans up during first year of business

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How's this for your first year in business: profitability within six months and sales of \$10 million?

Neno Duplancic is living that entrepreneurial dream. He is president and CEO of Locus Technologies, an environmental cleanup company that specializes in treating contaminated groundwater at industrial sites.

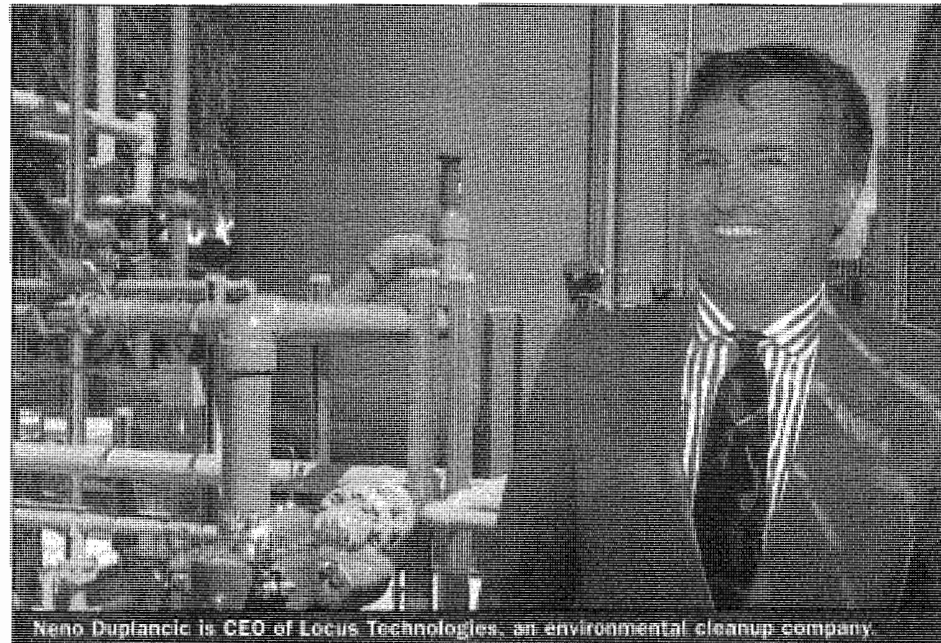
The company began a year ago and has offices in Mountain View and Newark.

"We have done extremely well even by Silicon Valley standards," Mr. Duplancic acknowledged.

"Those kinds of years were not possible even five years ago. Nobody would touch a Superfund site," he said, referring to properties on the Environmental Protection Agency's list of most serious hazardous waste sites.

"Now, with the pressure for real estate in Silicon Valley, everything goes."

His company is handling the cleanup of a Superfund site in San Jose that is being redeveloped for use as a supermarket. Locus also is working on the site of a former semiconductor plant in Mountain View where Netscape Communications Corp. is building



Neno Duplancic is CEO of Locus Technologies, an environmental cleanup company.

DENNIS G. HENRICKS PHOTO

short on capital requirements.

He and his team have more than a decade of experience working for several other environmental cleanup firms. Most recently, they were part of Smith Technology Corp., a nationwide bioremediation company with offices in Mountain View.

"They overestimated their ability in [making] acquisitions and went bankrupt," Mr.

nology's existing clients with them, and have used referrals and word of mouth to add to their customer base.

"We've had them under contract since 1982," said Tom Jones, director of the cleanup project at the Netscape site. The property formerly was home to Fairchild Semiconductor Corp., which was owned by Schlumberger AG.

Mr. Jones thinks so highly of Mr. Duplancic's group that when Schlumberger was negotiating with Smith Technologies for the Mountain View cleanup work, "we only approved on the conditions that they kept the same team," Mr. Jones said.

Mr. Jones has hired Locus, in its various incarnations, to work on sites around the Peninsula, in Washington state and in Wappinger Falls, N.Y. "They've worked on every [cleanup] job Schlumberger/Fairchild has had, including two major Superfund sites," he said.

"It's the team that makes the difference," he said of his loyalty to Mr. Duplancic's group. "They contribute to every decision [and] they go balls to the wall to do it right."

Mr. Duplancic called his team's expertise the company's most valuable capital asset. "Design studies and research to figure out what you need to do is the hard part," he said.

Locus avoided having to lay out millions of dollars for expensive treatment equipment by subcontracting with and managing specialty firms for the actual cleanup work.

The approach let the company bootstrap its own financing. A few of its top executives put down their personal savings, and a loan from Bank of America kept things afloat until Locus became profitable in mid-1997. The company subsequently has extended its